

**Instruction on the Completion of the  
CWIP Reconciliation Spreadsheet (Alternative version - revised 3/21/01)**  
(Updated 3/21/01)

CWIP projects are managed by one or more unique Tasks. Starting in FY 2000, we will not use phase coding to differentiate projects. The list of task codes included under each project's reconciliation MUST be the same as those included on the CWIP Project List maintained by Budget.

Reconciliations for CWIP projects are done by task across all fiscal year and all object classes.

For reconciliations being sent to Finance, Please start the printing of each CWIP project with the associated tasks on a new page. We recommend that you use legal size paper to make the output more readable.

**Instructions for completion of the “CWIP Reconciliation Spreadsheet (Alternative version - revised 3/21/01)”**

(At the bottom of the format is an example of a completed reconciliation.)

**Column A**

On the first row, enter the CWIP Project Number assigned by budget (e.g. NESDIS\_01\_003).

On the second row enter the name of the CWIP Project Title associated with the CWIP Project Number

On the third row enter the task manager's name and **phone number**.

**Column B**

On the first row enter the Estimate of the project cost

On the second row enter the current estimated completion date.

Note - if the info in Column A or B is different than what is reported on the Budget Office CWIP Project List - please pass this information to the Budget Office.

**Column C - Unique Task Code**

For each FIMA task code (CAMS project code) within the CWIP Project you will have a separate line. The reconciliations for a CWIP project needs to be aggregated at the FIMA task code level, **and totaled by (rolled together by) all relevant fiscal years.**

For organizations using “CWIP Sub projects” (only those which are on Budget's list of subprojects), you can enter unique task/phase for each subproject but ensure that there are totals for the task code which is what Finance will use in their analysis.

**Column D- Total from Task Manager's Folder Obligations**

Each task manager should be maintaining a folder with a detailed list (spreadsheet/database/cuff system) which includes all of the obligations which are being incurred on the overall CWIP project. It should be organized (or accessible) by task code and object class. The detailed list should include the key info on each obligating document (document type/number task/object class/ amount/ org code/FY ) and a brief characterization of the document.

**Column D- Total from Task Manager's Folder Obligations (Cont.)**

Each entry on this list needs to have supporting documentation, generally in the CWIP file . (Offices which maintain a high quality management of copies of obligating documents which can easily be retrieved may not have to create duplicates of those documents in the CWIP folder).

Where labor is charged to a project, the supporting document will be the T&A files. To monitor labor (and avoid incorrect labor charges from hitting the CWIP task) you should maintain a list of which individuals are charging the project and develop a monthly estimate of labor for "all" the individuals. This monthly estimate of labor should be included in the CWIP folder (and probably in the detailed tracking list).

Remember the labor costs will include object class charges for leave surcharge 1160/61, benefits surcharge 1210, General support indirect charges 987x, EXAD 985x and Common Services 9846 Indirect Charges. These are all "real" costs which get included in the capitalized amount.

The **KEY** is that the data from the CWIP Task Manager's Folder need to come from "documents" other than the 15C Report. The point of the reconciliation is to verify (against an independent source) that the amounts reflected on the 15C are correct.

**Note** that the spreadsheet is set up to include those capitalized costs as part of the Task Managers folder obligations if the capitalized amount is on the 15C. If your case is different you may need to modify the sheet after consulting with Finance (Nick Bayer).

**Column E Task Managers Uncapitalized costs**

This is a computed column which uses the obligations in the column D, subtracts the undelivered orders in column I and subtracts the Capitalized costs in column L. This amount is be checked in column G against column M the amount of uncapitalized on the 15C.

This computation assumes that the 15C undelivered orders (UDO) is a fair representation of the actual undelivered orders. This will be true if the obligations in the Task Manager folder and the 15C tie. If they are not the same, part of the difference could be in the UDO.

**Column F - Difference of Folder and 15 C Obligations -**

This is a computed column, the value of column F (which you enter) minus column D. It reflects the completeness/accuracy of your "paper" records compared to what is in FIMA against the CWIP task. There are numerous possible ways which can cause the difference between the two columns, but it is the responsibility of the Task manger to determine what they are and to "correct" errors using the normal document level or labor cost corrections.

Where the amount in any specific document/object class are not material (minimal dollar amounts or insignificant in relation to the project total) the difference can be identified as unreconciled and identified in the Notes/Explanation column. Please check with Finance - Nick Bayer - on whether an amount is minimal.

**Column G Difference of folder and 15C Uncapitalized**

This column should be zero if everything is correct. Any difference in this column is the one on which the auditors will focus.

Differences need to be reconciled/addressed in either column N or O

**Columns H, I and J** - Obligations, Undelivered Orders, Accrued From the 15C --  
Auditors focus on the uncapitalized amount on the Financial Statements. As noted in the relationships below, uncapitalized costs do **NOT** include the undelivered orders.

Total Obligations = Undelivered orders + Accrued Costs  
Accrued Costs = Unpaid Expenditures + Paid Expenditures  
Uncapitalized Costs = Accrued - Capitalized

**Accrued costs represent delivered orders (i.e. goods received/services performed) whether paid or unpaid.**

Even though the primary control for Financial Management is obligations, as a task manager you need to have someone periodically checking the individual document's undelivered orders and accrued costs. This is primarily a concern on large contracts or other documents which have an extended period of delivery of services. Once all of the services on a contract (or task code on a document) have been delivered, the undelivered orders will typically be zero.

If the undelivered orders are not zero, that would imply that the full scope of the "document/task" was 1) not performed, 2) not billed or 3) incorrectly recorded against another document or task. This needs to be corrected as soon as possible, as part of the normal responsibilities of all Financial Managers, CWIP or not.

The Key to Columns G and H are that the undelivered orders in G are consistent with the uncompleted work on the project. If you don't catch this shortly after it happens, you will have to go back and fix it before the project is complete.

**Column K - Check of left 3 Columns** receive  
Computed - this uses the formula  $K = H - I - J$

### **Column L - Capitalized on the 15C**

This is the amount that is entered in Finance (Hq by Nick Bayer) which represents the information Finance received from what is on the 37-6 and the amendments. When all of the work is completed on a project, the 37-6 being submitted to property (real or personal) will reflect the amount being capitalized including the amount to be removed from each task code.

There may be a lag between the submission of the 37-6 and the amount being recorded on the 15C. However, if there is a difference at year end, please check with Nick Bayer to ensure that Finance has received the information.

The Task manager must periodically validate that the amounts reported, as capitalized, are bridgeable to the amounts which were submitted on the 37-6.

### **Column M - Uncapitalized Costs** - computed (need to verify)

Although this is a computed column  $M = J - L$ , you **need** to verify it against the 15C since a difference would mean you entered one of the other columns incorrectly.

There should be no remaining accrued costs (or for that matter undelivered orders) once the work on the task is completed and the 37-6 is submitted and recorded on the 15C. These remaining accrued costs will show as uncapitalized. There are a few specific occasions when it is appropriate to have such costs.

**Column M - Uncapitalized Costs (Cont.)**

On contracts where less than the original "obligated" scope of work has been performed, the undelivered orders will reflect the difference. On contracts where the work was completed, but the final invoice has not been received, there may be some undelivered orders (however at year end this should be accrued if the COTR believes the work was completed).

Generally, if the project is completed and capitalized and there is still a positive balance in the Uncapitalized column, it is likely that either 1) some costs were missed in the completion of the 36-7 (or charged to the wrong task) or 2) some non-CWIP costs were incorrectly recorded against the CWIP task (either before or after the completion of the 37-6). If #1 is the case, then an amendment to the 37-6 needs to be submitted. If #2 is the case, then the costs need to be moved to the correct task.

If there is a negative Uncapitalized balance, then 1) the 37-6 is overstated because the wrong task was cited, or 2) there are costs which have not as yet been recorded in FIMA. For case #1, an amendment to the 37-6 needs to be submitted. For case 2 the correct charges need to be charged to the CWIP tasks (this is often a missed cost adjustment).

**Columns N, O – Amount of Adjustment needed to Correct Diff Uncap Cost Column G**

The amounts in N and O MUST address the full difference in column G Difference of the Folder and the 15C uncapitalized. The adjustments will often be related to differences in column F (Difference in obligations).

Column N includes the amount needed to adjust any errors that are included in the 15C report. .

Column O includes the amount needed to adjust any errors that are included in the Task Manager's records.

Since column E uses column L (capitalized costs) in the computation of the Task Managers's capital cost on this sheet, differences in the capitalized costs will not be reflected in column G.

There is a box under columns N and O which checks the "Overall Project Totals" (grand totals) against column G. When you are complete, the amount should be "0".

**Column P Adjust to Correct the 15 C Capitalized Costs**

This is where you enter any adjusts which have been submitted to correct the amount of capitalized cost.

**Column Q - Explanation of Adjustment**

This column should include sufficient explanation on this sheet for Finance to easily understand what corrects/adjustments are being proposed in column N or O. An explanation is also needed if there are remaining undelivered orders in a completed project.

The description should adequately document what is causing the difference and any actions which have been taken to resolve them. More than one box can be used to characterize the description. If a complete understanding of the comments requires additional supporting documentation, they should be retained in the Task managers CWIP file.